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June 11, 2003

CAD BULLETIN NO. 2003-04

To: All Electric, Gas, and Water Utilities; Eligible Telecommunications Carriers;
and Other Interested Parties

From: Mary James, Assistant Director, Consumer Assistance Division

Subject: Payment Arrangements

The Consumer Assistance Division (CAD) is reviewing its process for establishing payment arrangements between consumers and utilities. The purpose of this review is to evaluate the possibility of creating a standardized process for establishing payment arrangements. If it is determined that a standardized process is not feasible, we hope to at least improve our methodology for establishing payment arrangements.

Your input into this effort would be very helpful, and we seek your comments on the issues listed below. A meeting has been scheduled for **Wednesday, August 6** from **9:00 a.m. to noon** to give you an opportunity to provide your comments and suggestions in person. If you cannot attend the meeting but would like to comment, please send me your comments via mail or e-mail. Comments are requested on, but not limited to, the following issues:

1. New Arrangements

- Under what circumstances should a new payment arrangement be negotiated for a customer who repeatedly breaks their payment arrangements?
- Under what circumstances should a new arrangement not be negotiated?

2. Down Payments

- Under what circumstances should a down payment be required? What is a reasonable amount? How should this be calculated?
- Should a larger down payment be required for disconnected customers? If so, why?



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3. Monthly Payment

- What is a reasonable monthly payment of a past due balance? How should this amount be calculated?
- What income and expense information should be requested from the customer? What portion of income should be considered (net income, gross income, other) in determining the monthly payment?
- Does “reasonable” vary depending on the circumstances? (For example, if a customer was disconnected, is a “reasonable” monthly payment different than if the customer had not been disconnected?)

4. Term of Arrangement

- What is a reasonable length of time for a payment arrangement?
- Under what circumstances should more than a year be allowed to complete a payment arrangement? How long should be allowed?
- Should more time be allowed for payoff if the arrearage is due to utility error? If so, how much time?
- Should more time be allowed for payoff in a rebill situation (billing error corrections, previously unbilled service)? If so, how much time?
- Should consideration be given to the period of time over which the debt accrued? If the bill is estimated or actual? If the bill is from a charge off?

5. Next Payment

- When should the next payment be due?
- Should allowances be made for extenuating circumstances? What circumstances? How much time?

If you plan to attend the August 6 meeting, please let me know by **July 25** via e-mail (Mary.R.James@maine.gov) or phone (287-2950) so that we can accommodate everyone interested. Please also let me know if you have any questions. Thank you in advance for assisting us in the review of our payment arrangement process.